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6 March 1962

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CENTRAL INTELLIGENCE BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

6 March 1962

DAILY BRIEF

***USSR:** At yesterday's opening session of the Soviet party central committee plenum, Khrushchev freely admitted the failures of Soviet agriculture and called for a far-reaching re-organization of the system of management and control of agricultural production. According to the TASS summary of his seven-hour speech, the address dealt only with agriculture, with no references to foreign policy or other internal problems.

Khrushchev proposed an elaborate system of republic and provincial committees supervised by a national committee in Moscow to administer both collective and state farms. In these new committees would be centralized the managerial powers which had in large part been diffused by Khrushchev's own earlier organizational reforms, particularly his abolition of the Machine Tractor Station system in 1958. Party control would be strengthened. Republic party bosses would head the republic agricultural committees and be made directly responsible for local agricultural production.

Khrushchev, as he has at recent regional agricultural conferences, attacked the traditional crop-rotation systems under which almost one-fourth of the cultivated acreage has been either in sown grasses or in clean fallow each year. He called for the area so occupied to be cut by half, a move which would raise by some 55,000,000 the number of acres planted in cultivated crops in 1962. This change would increase agricultural production in the short-run--if sufficient resources were provided to attain major increases in manpower, fertilizers, and machinery--but might well have adverse long-term effects.

The TASS summary indicates that Khrushchev spoke extensively on the basic problems of inadequate incentives for the individual and of inadequate investment in agriculture. Thus far, however, there is too little information to conclude that Moscow is ready to make the changes necessary to tackle these problems effectively.

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***USSR - East Germany:** The announcement made by East Germany yesterday that the USSR will extend it a credit of \$325,000,000 and that Soviet - East German trade will be increased by approximately 12 percent in 1962 is a further demonstration of Soviet support for the Ulbricht regime on the eve of East-West negotiations. No details have yet been released concerning the form of the credit, whether it is long- or short-term, or whether it applies to specific commodities; hitherto the USSR has been reluctant to provide the East Germans with badly needed foreign currency for the purchase of commodities from Western countries. This aid and trade will enable East Germany to progress toward its goal of "economic invulnerability" to a possible West German embargo, but do not necessarily imply that the bloc is prepared to suffer the effects of a reduction in trade this year between East and West Germany.

Yesterday's announcement resembles that of 31 May 1961--on the eve of the talks last June between President Kennedy and Khrushchev in Vienna--when the USSR undertook to provide a long-term credit of approximately \$475,000,000 to East Germany for the period 1961-65. Although evidence is lacking that the East Germans are utilizing this credit, in the period 1956-60 they drew Soviet commodity and foreign exchange credits to amounts over \$400,000,000.

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Angola: Marcos Cassanga, the chief of staff of Holden Roberto's Angolan rebels, apparently has defected to Roberto's rival, the Communist-backed Popular Movement for the Liberation of Angola (MPLA). In a press conference held on 3 March under MPLA auspices, Cassanga blamed Roberto for the recent death of rebel chief of operations Joao Batista and said his troops would have no further connection with Roberto's Angolan People's Union (UPA).

This marks the first open break in the unity of the UPA's top leadership and may reflect the growing split between northern and southern elements in the UPA. Most of the rebel rank and file in northern Angola are from that area and are more likely to follow Roberto, their co-tribalist, than a "foreign" southerner such as Cassanga. However, the defection of Cassanga will hamper the UPA's plans to expand its military operations, may permit the MPLA to become more active, and will give the Communists a greater opportunity for gaining a foothold in Angola.

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Brazil: The expected return to Brazil of former President Janio Quadros on about 8 March is causing increasing apprehension in Brazilian political circles. Quadros has been steadily regaining popularity, and political leaders throughout the country are generally holding off on statements of political intentions until they are able to observe the reception to his return. Next October's elections for the Chamber of Deputies offer Quadros a chance to return to power as prime minister under the parliamentary system which Brazil adopted last September.

Quadros has not yet divulged his actual political plans. He may, soon after his return, release a long-awaited manifesto as to why he resigned and what the "outside forces" were which he referred to at that time as helping to bring about his resignation.

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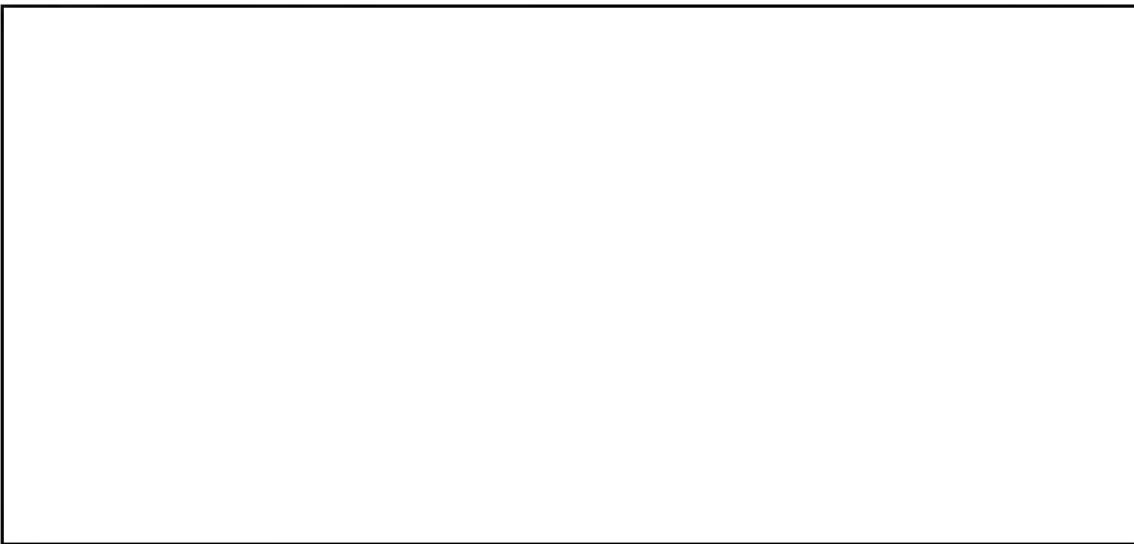
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Defection of Angolan Rebel Leader

Cassanga's press conference reportedly was attended by representatives from TASS and Pravda and by the press attaché from the USSR's Leopoldville embassy; there apparently were few if any non-Communist correspondents in attendance. Cassanga, who was born in southern Angola and had been trained at a Portuguese noncommissioned officers' school in Angola before he fled to the Congo in February 1961, was until recently one of the few men available to the UPA who had any military experience. As Roberto's chief of staff he probably was responsible for much of what little organization the rebels have had. Cassanga's adherence to the MPLA will help counteract its image as a predominantly mulatto organization, as contrasted with the primarily black UPA.

Rebel leaders are beginning to return to Angola from guerrilla warfare courses in Algeria and Tunisia, and Roberto probably will eventually be able to fill the gap left by Cassanga. Cassanga's defection may, however, worsen the latent friction between northerners and southerners in the party as a whole--a friction which only Roberto reportedly has been able to keep under control. Roberto, who has been abroad for several weeks, reportedly is to return to Leopoldville with a contingent of rebel trainees on 7 March.

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The Return of Janio Quadros to Brazil

Janio Quadros has spent the six months since his resignation on 26 August in travel by slow freighter. He visited England and Australia and began his journey back to Brazil last December, stopping at Hong Kong and various African ports. While Quadros has never publicly explained his resignation, many observers believe it was caused by extreme fatigue as well as by frustration of his ambition to exert undisputed power.

Quadros is reported planning to run for the Chamber of Deputies from Sao Paulo--his home state--in the October elections. He may also run in any or all of the other 20 states, as multiple candidacies are permitted in Brazil. Quadros could thus share his popularity with others running on the same ticket, since federal deputies are elected by a proportional representation system in each state. Quadros has been reported interested in simultaneously running for governor of Sao Paulo. Final decision on his candidacies will probably be made after he is able to weigh his present political appeal in various sections of the country.

The publisher of Brazil's most important conservative paper, O Estado do Sao Paulo, is reported to have stated recently that Brazil is "in its last quarter-hour of existence"-- apparently referring to the possibility that extremist activity by Quadros might provoke the Brazilian military to intervene in political affairs.

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